

**CASE 10657:** Application of Marathon Oil Company for reinstatement of underproduction for a GPU in the Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico. Applicant, in accordance with Rule 14(b) of the General Rules for prorated gas pools of New Mexico, seeks an order reinstating canceled underproduction from the proration period ending March 31, 1990 for a gas proration unit ("GPU") in the Indian Basin-Upper Pennsylvanian Gas Pool consisting of all of Section 34, Township 21 South, Range 23 East, and dedicated to its Indian Basin D Well No. 1 located in Unit K of said Section 34. Said area is located approximately 22 miles west of Carlsbad, New Mexico.

**CASE 10624:** (Readvertised)

Application of Sea Coast, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Fruitland Coal formation underlying the W/2 (equivalent) of Section 8, Township 29 North, Range 12 West, forming a standard 325.77-acre gas spacing unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not limited to the Basin-Fruitland Coal Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard location in Section 8. Applicant requests that Meridian Oil Inc. be designated as operator. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision and a charge for risk involved in drilling said well. Said area is located on the east end of Farmington, New Mexico.

**CASE 10625:** (Readvertised)

Application of Sea Coast, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Fruitland Coal formation underlying the E/2 (equivalent) of Section 8, Township 29 North, Range 12 West, forming a standard 322.86-acre gas spacing unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not limited to the Basin-Fruitland Coal Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard location in Section 8. Applicant requests that Meridian Oil Inc. be designated as operator. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision and a charge for risk involved in drilling said well. Said area is located on the east end of Farmington, New Mexico.

**CASE 10601:** (Continued from November 19, 1992, Examiner Hearing.)

Application of Strata Production Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Scanlon-Delaware Pool through the perforated interval from approximately 3274 feet to 3030 feet in its Doris Federal Well No. 2 located 1780 feet from the South line and 1980 feet from the East line (Unit J) of Section 26, Township 20 South, Range 28 East, which is approximately northeast by north of Carlsbad, New Mexico.

**CASE 10572:** (Continued from December 17, 1992, Examiner Hearing.)

Application of Texaco Exploration & Production Inc. for waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its W. H. Rhodes "B" Federal Waterflood Project, authorized by Division Order No. R-2748, by converting its W. H. Rhodes "B" Federal (NCT-1) Well No. 6 located 1980 feet from the South line and 660 feet from the East line (Unit I) and its W. H. Rhodes "B" Federal (NCT-1) Well No. 13 located 990 feet from the South line and 1650 feet from the East line (Unit O), both in Section 27, Township 26 South, Range 37 East, from producing oil wells to water injection wells. Said project area is located approximately 7.5 miles south-southeast of Jal, New Mexico.

**CASE 10573:** (Continued from December 17, 1992, Examiner Hearing.)

Application of Texaco Exploration & Production Inc. for waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Rhodes Yates Unit Waterflood Project, authorized by Division Order No. R-3889, by converting its Rhodes Yates Unit Well No. 8 located 1875 feet from the North line and 765 feet from the West line (Unit E) and its Rhodes Yates Unit Well No. 13 located 660 feet from the South and West lines (Unit M), both in Section 27, Township 26 South, Range 37 East, Rhodes Yates Unit, Rhodes Yates-Seven Rivers Pool, from producing oil wells to water injection wells. Said project area is located approximately 7.5 miles south-southeast of Jal, New Mexico.

**CASE 10574:** (Continued from December 17, 1992, Examiner Hearing.)

**Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation, at approximately 8,200 feet, underlying the following described acreage in Section 14, Township 20 South, Range 24 East, and in the following described manner: the N/2 to form a single standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent (which presently includes but is not necessarily limited to the South Dagger Draw-Upper Pennsylvanian Associated Pool); the NE/4 and NW/4 to form two standard 160-acre gas spacing and proration units for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and the NW/4 NE/4 and SW/4 NW/4 to form two standard 40-acre oil spacing and proration units for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. The proposed 320-acre unit is to be dedicated to either a single well to be drilled at a standard location in Unit B or Unit E or to both wells to be simultaneously dedicated to the 320-acre unit. Further the 160-acre gas unit comprising the NE/4 and the 40-acre oil unit comprising the NW/4 NE/4 are to be dedicated to the proposed well to be drilled in Unit B. The 160-acre gas unit comprising the NW/4 and the 40-acre oil unit comprising the SW/4 NW/4 are to be dedicated to the proposed well to be drilled in Unit E. Also to be considered will be the cost of drilling and completing said well or wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of each well and a charge for risk involved in drilling said well or wells. The subject area in this matter is located approximately 7.5 miles west by south of Seven Rivers, New Mexico.

**CASE 10626:** (Continued from December 17, 1992, Examiner Hearing.)

**Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the NW/4 of Section 32, Township 6 South, Range 26 East, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Pecos Slope-Abo Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 16 miles west by north of Elkins, New Mexico.

**CASE 10654:** **Application of Warrior, Inc. for an unorthodox oil well location, Eumont Oil Pool, Lea County, New Mexico.** Applicant seeks an order approving the drilling of its Federal "D" Well No. 13 in the Eumont Oil Pool at an unorthodox oil well location 1300 feet from the South and West lines (Unit M) of Section 26, Township 20 South, Range 36 East. Said well is to be dedicated to a standard 40-acre oil proration and spacing unit consisting of the SW/4 SW/4 of said Section 26. Said unit is located approximately 7 miles southwest of Monument, New Mexico.

**CASE 10655:** **Application of Meridian Oil Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Eumont Gas Pool underlying the S/2 of Section 36, Township 21 South, Range 36 East, to be dedicated to its proposed Shell State Com "D" Well No. 13 to be drilled at a previously approved unorthodox gas well location 1780 feet from the South line and 760 feet from the West line (Unit L) of said Section 36 and dedicated to a previously approved non-standard 320-acre gas spacing and proration unit consisting of the S/2 of said Section 36 and to simultaneously dedicate production with the Shell State Com "D" Well No. 12. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 3 miles west of Eunice, New Mexico.

**CASE 10656:** **Application of Mitchell Energy Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Pennsylvanian formation underlying the W/2 of Section 28, Township 20 South, Range 33 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the South Salt Lake-Morrow Gas Pool. Said unit is to be dedicated to its Tomahawk "28" Federal Com Well No. 1 to be drilled and completed at an unorthodox gas well location 1650 feet from the North line and 1980 feet from the West line (Unit F) of said Section 28. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 22 miles southeast of Maljamar, New Mexico.

Dockets Nos. 40-92 and 41-92 are tentatively set for December 3, 1992 and December 17, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 19, 1992**  
**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,**  
**SANTA FE, NEW MEXICO**

The following cases will be heard before Michael E. Stogner, Examiner or David R. Catanach, Alternate Examiner:

**CASE 10598:** Application of Santa Fe Energy Operating Partners, L.P. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location, in both the Undesignated Frontier Hills-Strawn Gas Pool and South Carlsbad-Morrow Gas Pool, 660 feet from the North and West lines (Unit D) of Section 28, Township 23 South, Range 26 East. The S/2 of said Section 28 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for both pools. Said unit is located approximately 5 miles south-southwest of the Cavern City Airport in Carlsbad.

**CASE 10599:** Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the base of the Abo formation to the base of the Morrow formation underlying the following described areas in Section 36, Township 17 South, Range 27 East, and in the following manner: the S/2 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Empire-Pennsylvanian Gas Pool, Undesignated Scoggin Draw-Atoka Gas Pool, and Undesignated North Illinois Camp-Morrow Gas Pool, and the SW/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Logan Draw-Wolfcamp Gas Pool. Said units are to be dedicated to a single well to be drilled 660 feet from the South line and 990 feet from the West line (Unit M) of said Section 36, which is considered to be an unorthodox gas well location for those intervals developed on 320-acre spacing and a standard location for a 160-acre spacing unit. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 5 miles southeast of Riverside, New Mexico.

**CASE 10574:** (Continued from October 29, 1992, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation, at approximately 8,200 feet, underlying the following described acreage in Section 14, Township 20 South, Range 24 East, and in the following described manner: the N/2 to form a single standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent (which presently includes but is not necessarily limited to the South Dagger Draw-Upper Pennsylvanian Associated Pool); the NE/4 and NW/4 to form two standard 160-acre gas spacing and proration units for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and the NW/4 NE/4 and SW/4 NW/4 to form two standard 40-acre oil spacing and proration units for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. The proposed 320-acre unit is to be dedicated to either a single well to be drilled at a standard location in Unit B or Unit E or to both wells to be simultaneously dedicated to the 320-acre unit. Further the 160-acre gas unit comprising the NE/4 and the 40-acre oil unit comprising the NW/4 NE/4 are to be dedicated to the proposed well to be drilled in Unit B. The 160-acre gas unit comprising the NW/4 and the 40-acre oil unit comprising the SW/4 NW/4 are to be dedicated to the proposed well to be drilled in Unit E. Also to be considered will be the cost of drilling and completing said well or wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of each well and a charge for risk involved in drilling said well or wells. The subject area in this matter is located approximately 7.5 miles west by south of Seven Rivers, New Mexico.

**CASE 10600:** Application of BK Petroleum, Inc. for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Gallegos Gallup Associated Pool through the perforated interval from approximately 4850 feet to 5028 feet in its Nelson Well No. 1 located 990 feet from the North line and 1090 feet from the East line (Unit A) of Section 8, Township 26 North, Range 12 West, which is approximately 16 miles south by east of Farmington, New Mexico.

**CASE 10601:** Application of Strata Production Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Scanlon-Delaware Pool through the perforated interval from approximately 3274 feet to 3030 feet in its Doris Federal Well No. 2 located 1780 feet from the South line and 1980 feet from the East line (Unit J) of Section 26, Township 20 South, Range 28 East, which is approximately northeast by north of Carlsbad, New Mexico.

**CASE 10602:** Application of Chi Operating, Inc. for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the San Andres formation underlying Lots 1 and 2, S/2 NW/4, SW/4 (W/2 equivalent) of Section 5, Township 8 South, Range 37 East, forming a 319.09-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently is applicable to only gas wells drilled in the Undesignated Bluit-San Andres Associated Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 1 mile north of Bluit, New Mexico.

**CASE 10592:** (Readvertised)

Application of Collins & Ware, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, at a depth of approximately 13,900 feet, underlying the following described acreage in Section 6, Township 20 South, Range 34 East, and in the following described manner: Lots 6 and 7, the E/2 SW/4 and SE/4 (S/2 equivalent) to form a standard 326.97-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent (which presently includes but is not necessarily limited to the Quail Ridge-Morrow Gas Pool and the Undesignated Teas-Pennsylvanian Gas Pool); Lots 6 and 7 and the E/2 SW/4 (SW/4 equivalent) to form a standard 160.97-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and the NE/4 SW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent (which presently includes but is not necessarily limited to the Undesignated Apache Ridge-Bone Spring Pool). Said units are to be dedicated to a single well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well or wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of each well and a charge for risk involved in drilling said well or wells. The subject area in this matter is located approximately 14 miles west-southwest of Monument, New Mexico.

**CASE 10498:** (Reopened. Continued from October 29, 1992, Examiner Hearing.)

In the matter of Case No. 10498 being reopened upon application of Monty D. McLane to exempt certain working interests from the compulsory pooling provisions of Division Order No. R-9690, Lea County, New Mexico. Division Order No. R-9690, issued in Case 10498 and dated July 1, 1992, granted the application of Charles Gillespie to compulsorily pool all mineral interests from the surface to the base of the Strawn formation underlying Lot 3 of Section 1, Township 16 South, Range 35 East, forming a non-standard 51.08-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. At this time Monty D. McLane requests the Division enter an order reopening Case No. 10498 and declare that the working interests of Henry H. Lawton and Amanda K. Parks are not subject to said Order No. R-9690.

**CASE 10540:** (Continued from October 29, 1992, Examiner Hearing.)

Application of American Hunter Exploration, Ltd. for an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 2480 feet from the South line and 915 feet from the West line (Unit J) of irregular Section 6, Township 27 North, Range 2 West, to test the Mancos formation. The NW/4 SE/4 of said Section 6 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 19 miles west of El Vado, New Mexico.

**CASE 10603:** Application of Conoco, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying the E/2 of Section 17, Township 30 North, Range 8 West, forming a standard 320-acre spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location in the NE/4 of said Section 17. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2 miles west of the Navajo Lake State Park Airport.

**CASE 10604:** Application of Meridian Oil Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill a replacement coal gas well within an existing standard 315.76-acre gas spacing and proration unit comprising Lots 3 through 6, and 11 through 14 (W/2 equivalent) of Section 33, Township 31 North, Range 9 West, Basin Fruitland Coal Gas Pool, at an unorthodox coal gas well location within the NW/4 equivalent of said Section 33 that is no closer than 790 feet to any outer boundary of the proration unit nor closer than 130 feet to the quarter section line bisecting the unit nor closer than 10 feet to the subdivision inner boundaries within the NW/4 equivalent of said Section 33. Said unit is presently dedicated to the Johnston Federal Well No. 28 located at a standard coal gas well location 2255 feet from the South line and 1065 feet from the West line (Unit L) of said Section 33, which will either be plugged and abandoned or used as a pressure observation well after the replacement well is completed. Said unit is located approximately 8 miles southeast of Cedar Hill, New Mexico.